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SIPDIS

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STATE FOR EUR/NCE AND EB/IPE JBOGER
STATE PASS USTR FOR JCHOE-GROVES AND WMOORE
COMMERCE FOR 4232/ITA/MAC/MROGERS
COMMERCE PASS USPTO
STATE PASS LIBRARY OF CONGRESS

E.O. 12958: N/A

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SUBJECT: SUMMARY OF CZECH IPR INTER-MINISTERIAL MEETING

REF: A. PRAGUE 578

- [1](#)B. CHOE-GROVES E-MAIL OF MAY 11 & MAY 16
- [1](#)C. PRAGUE 457
- [1](#)D. STATE 56305
- [1](#)E. PRAGUE 399
- [1](#)F. PRAGUE 359
- [1](#)G. PRAGUE 323
- [1](#)H. PRAGUE 293
- [1](#)I. PRAGUE 274
- [1](#)J. PRAGUE 244
- [1](#)K. PRAGUE 160

[1](#)1. (SBU) SUMMARY: Econoff participated in the June 19 Czech IPR inter-ministerial committee meeting, along with recording industry (IFPI/RIAA) representatives. This is the committee's second meeting since the April 30 USG Special 301 announcement (first was May 23). While the group has made some progress in cataloging existing IPR laws which could be used to prosecute sellers of pirated materials at the markets, the inter-ministerial effort still has not resulted in a concrete action plan and seems to lack momentum. Representatives from a number of ministries claimed they saw no way their organizations could help combat this problem, indicating that strong political will may be lacking. Econoff reinforced the fact that the off-cycle review scheduled in October could result in the Czech Republic being placed on the Special 301 WATCH LIST if measurable progress was not made. END SUMMARY.

[1](#)2. (SBU) Ministry of Industry and Trade (MIT) Department Director Ladislava Votavova chaired the meeting, which included representatives from the Ministry of Informatics, Ministry of Agriculture, Ministry of Culture and the Customs Administration. The meeting began with a presentation from IFPI Deputy Regional Director Stefan Krawczyk, who highlighted the extent of the problem in the Czech Republic and provided statistics on the financial losses incurred by the recording industry due to sale of pirated materials at the open-air markets. Krawczyk concluded his presentation with a "wish list" of actions the Czech authorities should take to combat the piracy problem. The list mirrored a number of USG Interagency Suggested Action Plan items, including development of high-tech business licenses, routine patrolling of open-air markets, permanent revocation of business licenses for repeat offenders and public government announcement of a "no-tolerance policy" for piracy and counterfeiting.

[1](#)3. (SBU) The discussion on what each ministry or department

could do to help alleviate the problem was at times contentious, with many representatives stating that they did not have the tools to help. Mr. Urban, director of the licensing office at MIT, exemplified this problem. Although both IFPI and Washington recommended the development of high-tech business licenses in order to better track vendors caught selling pirated goods, Urban stated his office was moving away from requiring physical business licenses at all.

He said requiring open-air market vendors to have high-tech licenses that include photographs and fingerprints would be discriminatory. Additionally, even though revoking business licenses is allowed under Czech law, Urban noted repeatedly that this should only be done "as a last resort."

14. (SBU) MIT intends to have a proposed action plan ready for submission to Minister Riman in the July-August timeframe. Although this is still possible to achieve, the lack of measurable inter-ministerial cooperation at this point indicates that a new infusion of political will is needed. To assist with this, the Ambassador will meet with the Minister of Industry and Trade to reinforce our interest in eliminating the piracy problem and highlight the fact that time is critical.

GRABER